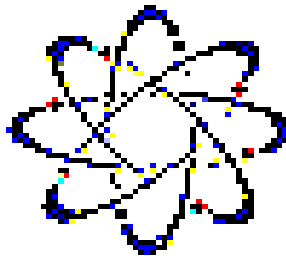
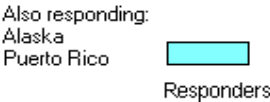


Economic Impacts: Radiation Control Programs in the United States

September 2002



The unprecedented economic conditions of 2002 following terrorist attacks and market declines have consequences for state and federal government and the private sector. This report summarizes the economic impacts on state radiation control budgets and describes the magnitude of the impacts and the regional distribution of the impacts as reported by 25 radiation control programs.



When surveyed through rad_rap email, as of September 30, 2002, the following responded to an inquiry about the changes in radiation control budgets due to the economic conditions of this year:

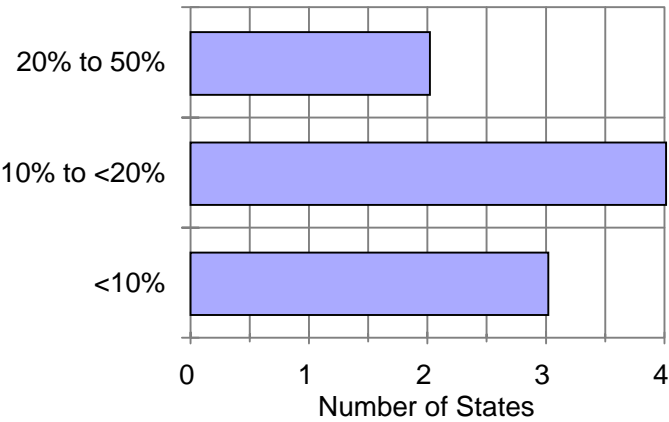
The U.S. Nuclear Regulatory Commission supplied data on numbers of radioactive material licenses (February 2002).

Thanks to all for participating in the survey conducted by the State of Texas, Texas Department of Health Bureau of Radiation Control. For inquiries or corrections, please contact Margaret.Henderson@tdh.state.tx.us phone 512/-834-6688.

Budget Changes

In general, the majority of radiation control budgets (17 of 25 reporting) have been decreased by various methods—hiring freezes, reductions in dollars and or staff, curtailment of travel and other costs, furloughs, and other means. Decreases were imposed by the legislature, state executives or departments. Obvious impacts include growing backlogs and difficulty in performing duties due to shortage of personnel. In extreme situations, some programs have been reduced by several FTEs (4 to 25) or significant percentages of their budgets have been reduced (10-50%). A few programs have been for the most part unaffected; one has an increased budget and some others plan fee increases in the near future.

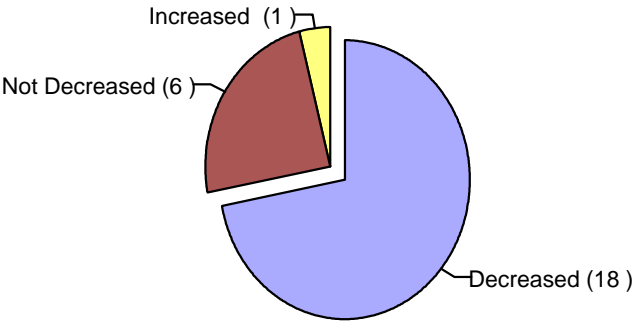
Budget Percentage Decreases
 Nine States Reporting in Percentages



State	FTE Reductions
Arizona	3
California	25
Louisiana	2
Massachusetts	1
Michigan	2 (1 technical, 1 clerical)
New Jersey	4 (early retirement incentive)
New Mexico	unable to fill vacancies
Oregon	1
South Carolina	4.5
Vermont	1

Budget Status

25 States and Territories



Summary of Economic Conditions

- 10% cut from budget; no non-essential travel (for training, CEUs, or travel paid by outside sources such as FDA and EPA)
- 21% cut from budget; 3 staff reductions; all travel suspended
- Swept vacant positions; hiring freeze; out-of-state travel due to overall department cuts
- 5-10% cut from budget
- Line item cuts
- 5-10% across the board cut from state general revenue fund; hiring freeze (are able to hire with justification); line item cuts; program assessed 25% indirect cost; out-of-state travel cut; no cost of living or merit raises in FY 03
- 5% cut from budget
- 5.5% cut from budget; 1 staff reduction; out-of-state travel banned; early retirement incentive
- Radon grant cut 25%
- Hiring freeze; early retirement incentive
- Hiring and travel freeze; however frozen funds were returned to the budget as carry forward to FY 03
- Voluntary, encouraged furlough; 8% cut; then 10%; hiring freeze; early retirement incentive (lost 4 FTEs)
- 10% cut from budget; travel freeze at end of fiscal year; no out-of-state travel for training or meetings; unable to fill position vacancies
- ~9% cut; hiring freeze (1 FTE)
- 15% cut from budget; hiring freeze
- 25% budget cut; 4.5 FTEs lost; hiring freeze
- \$200,000 transfer to another program; “loan” of staff to another program (~\$22,000); additional administrative salary to be assessed from radiation program annually (\$36,204); hiring freeze (were able to justify hiring HPs); no merit or pay increases (funds not available for legislative raise for FY03)
- 1.5% cut from budget; hiring freeze by governor although program is exempt; delay hiring until governor determines if there is a need to lay off; all discretionary spending halted, such as out-of-state travel, purchase equipment from general funds
- Raided special funds, i.e. dedicated funds from fees
- Staff reductions
- Partial general revenue program funding for two positions replaced with alternative funding source; 10% budget cut; purchase requests or RFPs are scrutinized heavily and no new purchases for equipment or supplies or personnel have been approved

State Budgets - September 2002

Decreased	Not Decreased	Increased
Alaska	Alabama	Florida
Arizona	Illinois	
California	Kentucky	
Iowa	Minnesota	
Kansas	New York	
Louisiana	Wisconsin	
Massachusetts		
Michigan C & I Services		
New Jersey		
New Mexico	Alabama	All revenue generated from fees; slight decrease in revenue; no major impact
Ohio	Illinois	No budget decrease; shift in sources will require increase in fees
Oregon	Kentucky	No decreases; will request fee increase to increase funding base
Puerto Rico	Minnesota	Supported by fees, contracts, grants
South Carolina	New York	No reduction
Texas	Wisconsin	Budget cut; funds replaced from other source
Virginia		
Vermont		
West Virginia		

Questions: Radiation Control budget decreased? (yes/no)
 Decrease is believed to be permanent or temporary?

Six of the 25 (24%) reported no decreases; one reported an increase. One noted that budgets were not decreased probably because that revenue comes from fees. Another noted that the program has other support—fees, plus FDA mammography contract, REP contract, and federal Preventive Block Grant. Although there was no decrease in the overall budget, one reported a shift in the sources of revenue from the state's general revenue funds to the agency specific funds, which will require the department to increase user fees to fund program costs. One received a one time budget increase of about 8% to bolster equipment, training, planning, and preparedness related to radiological/nuclear terrorism issues. Another is moving forward with a request for an increase in fees that would increase the program's funding base.

Eighteen of the 25 (72%) reported decreases. Most reported uncertainties as to how long the decrease would last; however, states report that at least FY 03, 04 and 05 will be impacted. Decreases generally ranged from 10-25%; one decrease of 50% was believed to be permanent. Twenty-five positions were lost in one year by a single state. Another state lost 4.5 FTEs.

Regional Distribution

As individual state legislatures and agencies restrict funding or otherwise reduce the radiation control program support, various regions of the United States are impacted.

West Coast and Border States 31% of Agreement States Licensees

State	Reductions	Number of Licensees
Oregon	9% 1 FTE	464
California	25 FTE	2137
Arizona	21% 3 FTE	292
New Mexico	10%	218
Texas	1%	1510
Louisiana	5% 2 FTE	479

Eastern US 5% of Agreement State Licensees

Vermont	50% 1 FTE	---
Massachusetts	5.5% 1 FTE	533
New Jersey	8% + 10% more 4 FTE	---
Virginia	1.5%	---
South Carolina	25% 4.5 FTE	362

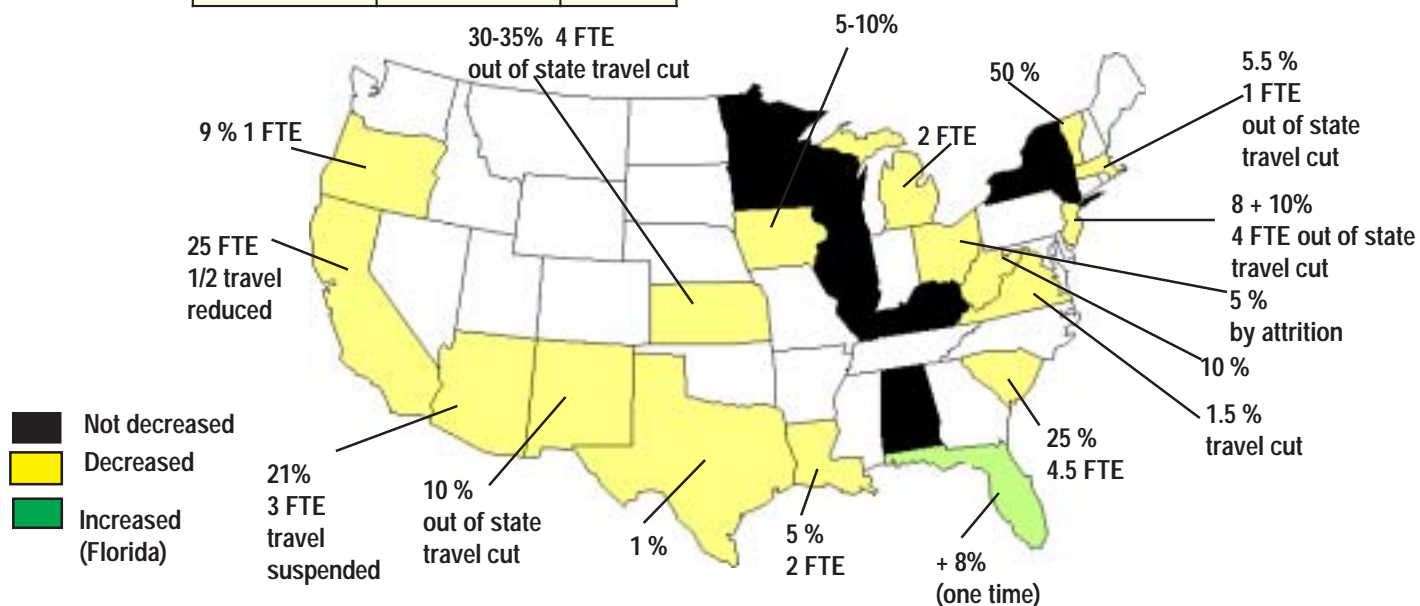
Questions: Decrease imposed by legislature?
Decrease imposed by agency or department? (if not by legislature)

Six reported that decreases were not imposed by the legislature, but by their agencies. However, others reported that the legislatures or state executives had imposed the decreases.

In cases when the legislature did not directly impose decreases, some reported they were imposed by agency due to governor's action, or the percentage cut was increased by the agency. Another reported a voluntary department-wide decrease or temporary reduction set by larger health agency in accordance with the governor's mandate. One noted they have proposed to the legislature a revised fee schedule which should compensate for lack of revenue for program needs.

Central US 7.4% of Agreement State Licensees

Kansas	30-35% 4 FTE	318
Iowa	5-10%	183
Michigan	2 FTE	---
Ohio	5%	710
West Virginia	10%	---



Negative Impacts

Backlogs	Hiring Freezes	Early retirement	Furloughs
Increased Fees	FTE losses	Equipment shortages	Maintenance issues
No training funds	No out of state travel	Funds transfers	Staff reductions
Vacancies	Positions swept	All travel suspended	Retention problems

- Continued delay in updating 1971 regulations, more restrictive travel, inability to expand existing programs or address new issues, other than terrorism
- Inspections delayed; mandated monitoring program stopped; insufficient staff to respond to reactor emergency or a major radioactive material accident
- Further and further behind in work; longer turnaround times
- Extreme difficulty in hiring and retaining qualified staff; lost 4 people due to retirement and better pay/opportunities in the last year; anticipate losing at least one more this year to better pay and opportunities elsewhere; several applicants for positions withdrew their applications due to low pay
- Will need to find "creative" ways to train new staff; X-ray inspection backlog is approximately 900 facilities and will most likely increase; will be increasingly difficult to comply with NRC's unfunded mandates
- Lost 2 inspector positions resulting in increased inspection backlog

Negative Impacts

- Losing one clerical person to early retirement this fall and will lose that position; probably will not be able to replace that position in the foreseeable future, if ever; a separate vacant physicist position cannot be filled at this time; likely will not be able to fill this vacant position in the foreseeable future, if ever
- Collecting fees from licensees and registrants, but do not have adequate staff to inspect and enforce; 30% backlog in radioactive material inspections; vehicle replacement lagging and several inspection vehicles have over 120,000 miles; out-of-state travel banned; some vacancies are not being filled; no money available for replacement computers; contracts for computer software support are being jeopardized; if any more people lost, will not have the staff to collect the fees, let alone perform the work that the fees were designed to support
- Retirement incentive took 2 FTEs; Materials and X-Ray programs short-staffed, resulting in increased time to provide services; non-ionizing program eliminated; receptionist gone....technical staff answering reception phone and greeting visitors
- Loss of complete indoor tanning regulatory program; no training funds; no funds for salary increases; no funds for equipment replacement; inspection frequencies not met (X-Ray Program)
- Possible loss of staff due to non-competitive salaries and no increases
- Short term impact- shifting workload, long term impact unknown
- Self evident due to reduction to 1 full time field person and an administrative/field position
- Delay in appropriation or approval from personnel department for a new rad health position established under a grant program
- Much work to do with few inspectors and without hiring do not have opportunity to complete 2002-2003 work plans; acquisition of new equipment for inspections has to wait until 15% of budget restored
- Potential loss of 1 FTE; loss of control of ~9% of total budget

Positive and Neutral Impacts

- Implementation of a fee schedule for radioactive material licensees this past May should generate enough money that, when combined with General Fund revenues, will result in a much improved radiation control program
- Minimal impact; GPR funding is a minor component of total program funding; state hiring freeze imposed; however, public health positions exempt from freeze
- One time budget increase of about 8% to bolster equipment, training, planning, and preparedness related to radiological/nuclear terrorism issues
- Moving forward with a request for an increase in fees that would increase the program's funding base
- All revenue is generated from fees; only slight decrease in revenues, well within the normal variation from year to year; no major negative impacts

Comments

- Difficulty writing regulations to increase fees for nonionizing sources, radioactive materials licenses, and inspection of Highway Route Control Quantity shipments; as experienced staff leaves, replacing them with entry level folks and taking a savings in salary; however, not being able to attend out-of-state training is severely hampering training of entry level people; at the same time when program is trying to enhance capabilities to respond to terrorism events, program is understaffed
- High personnel turnover rate and focus needed for succession planning; doctors are leaving state at an accelerated rate due to malpractice regulations; this impacts health regulatory program fee schedules (as "not to impend the quality of care"); application for CDC grants have been made which will ultimately affect county health departments and labs for terrorism prevention for biological or chemical agents; may have another RFP for grants associated with hospital preparedness in a case of a radiation incident within population areas greater than 350,000; new fee schedule has been proposed in an emergency legislative action (pending review)

Anticipated Changes

- No clear indication of future official budget; currently are able to fill an inspector vacancy as part of Weapons of Mass Destruction (WMD) grant (will share WMD and mammography and x-ray inspection duties)
- Not expected to improve until overall budget situation improves
- Unlikely to be able to pass any funding increases or fee increases for next 3-5 years
- Mid year cut of 5%, more of the same type of consequence
- Have been asked for 5-10% reduction levels for contingency plans
- Budget preparations for 04-05 asked for 15% to 20% cuts in both general fund programs and fee supported programs; impacts are unknown at this time
- Governor is expected to announce in October elimination/re-organization of programs and services; along with that are budget cuts of up to 15%, but doubtful that it would be that much for certain health and emergency services programs; Governor must present his budget to legislators in December, and General Assembly will meet in January to re-consider biennial budget
- Both candidates for governor have indicated great reluctance to increase state funding for anything
- Depends on the gubernatorial election this year
- One of the frontrunners for governor has indicated in his campaign that wasteful state spending is a problem, indicating that further cuts could be imposed after the election

